

Baltimore Bagel is swallowed in merger with Colorado firm

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Staff Writer

Baltimore Bagel Co., a San Diego-based retailer, has merged into Progressive Bagel Concepts Inc. of Golden, Colo.

The agreement was closed yesterday in Denver by Baltimore Bagel founders Michael and Rachel Brau. Terms were not disclosed.

Baltimore Bagel first came out of the oven in April 1980. Its original site, a tiny space in a La Jolla strip center near a supermarket, was chosen so shoppers could buy fresh-baked bagels along with their other groceries. The name came from the Braus' many connections with the city.

Baltimore Bagel will open its 15th store next week in Chula Vista. The company has about 250 employees, Michael Brau said.

"The new company will have 54 stores," he said. "There will be no change in employment, and we will be able to provide more opportunities for some of our people. When you grow at a

slow pace, you can create only so many opportunities."

Michael Brau will oversee store operations for the new company; Rachel Brau, his wife, will have a part in human resources and marketing.

Privately held Progressive Bagel was formed in March through the combination of Brackman Bros. Inc. of Salt Lake City, Bagel & Bagel Inc. of Kansas City and Offerdahl's Bagel Gourmet Inc. of Fort Lauderdale, Fla. Progressive has stores in California, Utah, Colorado, Kansas, Missouri, Illinois and Florida.

Now independent, Progressive was "financed greatly" and provided with management infrastructure by Boston Chicken, a restaurant concept company, Michael Brau said.

"An extraordinary group did an extraordinary job in building the Boston Chicken (now Boston Market) chain," he added. "When the opportunity came (for the merger), we felt we could maintain quality and grow faster."

Growth was an issue in the merger decision,



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Dealing dough: *Michael and Rachel Brau say their bagel company's merger will offer greater opportunities.*

but capital was not, he said.

"Our local bank was very enthusiastic" about the company, he said, "but I don't have the experience to open 30 stores in a 60- to 75-day period, and that's going to be the future of the industry."

Baltimore Bagel outlets will be renamed when Progressive selects a store concept and name from among several under test, Brau said.